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FISCAL IMPACT STATEMENT

LS 7352

BILL NUMBER: HB 1319

NOTE PREPARED: Jan 13, 2004

BILL AMENDED:

SUBJECT: New Harmony Bridge.

FIRST AUTHOR: Rep. Van Haaften

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill: (1) requires the state to enter negotiations to purchase the bridge crossing the Wabash River on State Highway 66; (2) authorizes the Indiana Transportation Finance Authority (ITFA) or the Department of Transportation (INDOT) to accept the conveyance of the bridge.

Effective Date: July 1, 2004.

Explanation of State Expenditures: *Part 1* requires the Indiana Transportation Finance Authority and the INDOT to negotiate with the proper authorities in the state of Illinois for the purpose of acquiring ownership of the bridge crossing the Wabash River on State Highway 66. The expenditures related to entering negotiations will depend upon how extensive they are and the amount of travel and staff time involved. The fund affected for the INDOT is the State Highway Fund. The fund affected for the ITFA is a dedicated fund.

Part 2, authorizing the acceptance of conveyance of the bridge, may involve significant expenditures. Below is a history of the bridge, a traffic analysis and Commission revenue and expenses through FY 2002, and excerpts from an INDOT 2001 report detailing several factors which could bear on the future of the bridge. Negotiators for the state will need to consider the type of information and data contained here in making their final decision as to the acquisition of the bridge.

History of Bridge: The New Harmony (toll) Bridge was built in 1930 connecting Posey County in Indiana with White County in Illinois by a private company with authorization from the U.S. Congress. In 1941, Congress created the White County Bridge Commission to operate and maintain the bridge with the intent to transfer ownership to the states of Indiana and Illinois as a toll-free bridge once all bonds relating to the bridge were paid off. An offer to transfer the bridge in 1955 was rejected by the states on the grounds that the bridge was not in sound structural condition. The Federal Highway Administration (FHWA) had

oversight of the Commission until 1998 when that oversight was dissolved with the passage of the transportation act, TEA-21. At that time, FHWA approached the Commission, the Illinois Department of Transportation (IDOT), and INDOT to develop a transition program of the Commission to the two states. IDOT and INDOT again rejected taking over the bridge because it does not meet current standards, but agreed that if Congress provided funding for the replacement of the bridge, they would accept joint responsibility for the bridge. An appropriation request in the amount of \$3.1 M was submitted by Congressional members of both Illinois and Indiana for FY 2003.

In November of 1999, State Road 69 opened between State Road 66 and I-64, providing a direct link between the Mt. Vernon Port and I-64, reducing truck traffic over the bridge by 65% and auto traffic by 16%. In light of decreasing revenue and the inability to perform necessary maintenance needs to maintain the safety of the bridge, the Commission announced in October 2001 that the bridge would have to close by the end of the year. The Illinois Department of Commerce and Community Affairs granted the Commission \$120,000 for bridge repairs and maintenance to keep the bridge open while a solution for bridge funding was sought. The Commission also raised tolls on the bridge effective January 1, 2002, doubling rates to \$1.00 for cars, \$1.50 for 2-axle trucks, and \$3.00 for semis. However, total vehicle traffic was down more than 25% for the first seven months of 2002, likely in response to the rate increase.

Traffic Analysis:

	1998	1999	2000	2001	2002
Truck Traffic	37,311	37,002	13,122	11,146	6,097
Auto Traffic	675,726	678,803	570,622	531,654	404,815
Total Traffic	713,037	715,805	583,744	542,800	410,912
% Change		.4%	-18.4%	-7.0%	-24.30%*

* % Change over Jan-July 2001.

Commission's Revenue and Expenses:

	1998	1999	2000	2001	2002
Toll Revenue	410,517	411,670	307,469	286,134	424,320
Other Income	19,689	12,969	16,160	14,260	134,451**
Total Revenue	430,206	424,639	323,629	300,394	558,771
Operating Expenses	266,788	269,289	270,713	262,880	270,808
Maintenance Expense	172,587	310,141	31,943	63,435	261,987
Net Income (Loss)	(9,169)	(154,791)	20,974	(25,921)	25,976

**Includes \$120,000 grant from the State of Illinois.

The White County Bridge Commission has been operating at a loss since 1998 and greatly curtailed maintenance expense in 2000 and 2001 in response to falling revenue. Even with the increase in tolls and the \$120,000 grant from Illinois, the Commission expected to end 2002 in the red. The Commission's 2001 financial statements indicate that there was \$191,195 of cash on hand on December 31, 2001. The resources of the Commission suggest that money is not available for major rehabilitation or repair needs for the bridge.

Maintenance Needs: In July 2001, INDOT engaged an engineering firm to conduct an inspection and prepare cost estimates for rehabilitation of the New Harmony Bridge. The report indicated that portions of the bridge were reconstructed in 1962 and the east abutment bridge seat was reconstructed in 1997. The original bridge

deck has been maintained in all spans except for the 1962 reconstruction. The report stated, "Overall, the bridge is judged to be in fair to serious condition with advanced section loss and deterioration having affected primary structural components. With some exceptions, the most serious conditions appear to be relatively consistent throughout the entire length of the structure...It is our opinion that this bridge is near the end of its useful life, unless significant structural repairs are made in the immediate and near (short-term) future." The report defined immediate as within 30-60 days and short-term as within 12 to 18 months. Immediate repairs of \$66,000 were identified to keep the bridge in operation, and short-term repairs totaling \$2,286,000 were identified to extend the useful life another five to ten years. The report goes on to recommend that, "Reconstruction of the existing structure for more than 10 years of service is not considered feasible, and is not recommended due to the inadequate horizontal clearances that render the main truss spans functionally obsolete." The report estimates the cost of a new bridge between \$15 M and \$20 M, which does not include any cost of road reconstruction, additional right-of-way, or demolition of the existing bridge.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Transportation Finance Authority; Department of Transportation.

Local Agencies Affected: Posey County.

Information Sources: Mark Moore, Director of Indiana Transportation Finance Authority; 233-4234; Jeremiah Wise, Financial Analyst, Transportation Finance Authority, 234-2228; Dr. David Rice, Vice-Chair White County Bridge Commission, 812-682-4550.

Fiscal Analyst: James Sperlik, 317-232-9866.